## **Department of Veterans Affairs**

(3) An application deferred in accordance with paragraph (e)(1) of this section shall be accorded priority in any subsequent Federal fiscal year ahead of applications that had not been approved before the first day of the Federal fiscal year in which the deferred application was first approved.

(Authority: 38 U.S.C. 8135(b)(5))

(g) The amount of a grant under these regulations shall be paid to the applicant or, if designated by the applicant, the State home for which such project is being developed or any other agency or instrumentality of the applicant. Funds paid for an approved project will be used solely for carrying out such project as so approved.

(Authority: 38 U.S.C. 8135(d)(1))

(h) Any amendment of any application whether or not approved under paragraph (d) of this section will be subject to review and approval pursuant to the regulations concerning grants to States for construction of State home facilities in the same manner as an original application.

(Authority: 38 U.S.C. 8135(e))

(i) Any amendment of any application whether or not approved under paragraph (c) of this section will be subject to review and approval pursuant to the regulations concerning grants to States for construction of State home facilities in the same manner as an original application.

(Authority: 38 U.S.C. 8135(e))

(Information collection requirements contained in §17.213 were approved by the Office of Management and Budget under control number 2900–0502)

[45 FR 38357, June 9, 1980, as amended at 47 FR 27859, June 28, 1982; 48 FR 1490, Jan. 13, 1983; 52 FR 23826, June 25, 1987; 54 FR 34983, Aug. 23, 1989; 56 FR 20354, May 3, 1991. Redesignated and amended at 61 FR 21966, 21968, May 13, 1996]

## § 17.214 Disallowance of a grant application and notice of a right to hearing.

(a) Before disapproving an application submitted under §17.213, the Secretary shall notify the applicant of the opportunity for a hearing. The notice shall state:

- (1) That the application's disapproval has been proposed;
- (2) The basis for the proposed disapproval;
- (3) That a request for a hearing should be received in writing by the Secretary within 40 days from the date of this notice;
- (4) That failure of an applicant to request a hearing as provided for by this section or to appear at a hearing for which a date has been set shall be deemed a waiver of the opportunity for a hearing.
- (b) If an applicant requests a hearing after the expiration of the 40-day period, the Secretary may accept the request.
- (c) An applicant who requests a hearing under the procedures specified by this section shall be notified of the time and place for the hearing. If the time or place set is inconvenient for the applicant, the Secretary may change the time or place for the hearing.
- (d) The Secretary shall conduct the hearing. The hearing will be informal. The rules of evidence will not be followed. Witnesses shall testify under oath or affirmation. A record or transcript of the hearing shall be made. The Secretary who conducts the hearing may exclude from consideration irrelevant, immaterial, or unduly repetitious evidence or testimony.

(Authority: 38 U.S.C. 8135(c))

[52 FR 23828, June 25, 1987. Redesignated and amended at 61 FR 21966, 21968, May 13, 1996]

## §17.215 Recapture provisions.

(a) Except as provided in paragraph (b) of this section, if within 20 years after completion of any project with respect to which a grant has been made under the regulations concerning grants to States for construction or acquisition of State home facilities, a facility constructed or acquired as part of such project ceases to be operated by a State, a State home, or an agency or instrumentality of a State principally for furnishing domiciliary, nursing home or hospital care to veterans, the United States shall be entitled to recover from the State which was the recipient of the grant or from the then owner of such construction 65 percent